



The McHugh Report

News From Congressman John McHugh

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*House Committee on Government Reform
Subcommittee on the Postal Service*

McHUGH POSTAL SUBCOMMITTEE TO EXAMINE APPROPRIATENESS OF THE POSTAL SERVICE'S FEDERAL LAW ENFORCEMENT POWERS

WASHINGTON - Rep. John M. McHugh (R-NY), Chairman of the House Subcommittee on the Postal Service, will hold a hearing to explore competition policy questions raised by the role of the Postal Inspection Service within the increasingly commercial operations of the U.S. Postal Service. The hearing will be held Tuesday, July 25 at 1:00 p.m. in Room 2247, Rayburn House Office Building.

"Today's Postal Service does not look or operate much like its predecessor, the old Post Office Department. Despite the agency's 'independent' role, it is not a private corporation," said Rep. McHugh. "It is still very much a part of the federal government, yet, it competes with private companies that do not enjoy the luxury of an in-house federal police force. Congress needs to examine these competition policy questions to determine what, if any, changes should be made."

In 1970, the U.S. Postal Service was created as an independent, self-sufficient entity within the executive branch. Prior to 1970, it had been a cabinet-level department subsidized by taxpayers. Through its transformation, the Postal Service continued in its familiar role as provider of universal mail service; however, the agency also retained authority for enforcing federal statutes that protect the mail, postal employees, customers, and assets. These law enforcement functions are conducted by the Postal Inspection Service, which reports directly to the Postmaster General.

In an increasingly competitive communications environment, some have questioned whether there is a conflict of interest between postal management's commercial objectives and the Inspection Service's law enforcement mission. Examples include the use of Inspection Service agents for revenue collection, and recent marketing initiatives that tout the Inspection Service as a security advantage unique to the Postal Service's products and services, particularly its new electronic commerce ventures.

"We would never imagine giving Microsoft law enforcement authority over their e-commerce products," Rep. McHugh stated. "Perhaps we should also question the wisdom of giving the Postal Service that same power."

In addition to fair competition issues, the Subcommittee will also examine whether control by a competitive business entity has an adverse effect on the law enforcement agency.

"The Inspection Service does a fine job, but the best financial interests of the Postal Service and the best means of law enforcement may not be always one and the same," said Rep. McHugh. "We need to make sure that both objectives are met without compromising the integrity of either one."

Witness expected to testify include:

The U.S. Postal Service, John Nolan, Deputy Postmaster General, the second highest ranking postal executive and member of the Board of Governors; and, Kenneth C. Weaver, Chief Postal Inspector, the highest ranking inspector in the Postal Inspection Service;

James I. Campbell, Jr., attorney and postal policy scholar whose former clients include FedEx, DHL, and TNT Post (now TPG);

The Federal Law Enforcement Officers Association (FLEOA), Richard J. Gallo, National President of FLEOA and Senior Special Agent for the U.S. Department of Agriculture, Office of Inspector General Investigations; and, Gary L. Eager, FLEOA Agency President, U.S. Postal Inspection Service, and Postal Inspector/Team Leader for the U.S. Postal Inspection Service External Crimes Response unit.

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